

BASIC FOUNDATION PROGRAM

FY 2008-09

DEFINE PROGRAM EXPENDITURE LEVEL

DEFINE MANDATORY TAX EFFORT

PROGRAM COST - TAXES RAISED = STATE AID

WPU's X \$2,577 - LOCAL PROPERTY TAX REVENUE [0.001250 (Estimated) Tax Rate] = STATE AID

<u>DISTRICT A</u>		<u>DISTRICT B</u>	
(Non-Recapture District)		(Recapture District) ¹	
1,000 WPU's		1,000 WPU's	
0.000100 Tax Rate Raises:		0.000100 Tax Rate Raises:	
	\$ 16,000		\$ 160,000
1,000 WPU's X \$2,577 =		1,000 WPU's X \$2,577 =	
Less Tax Revenue		Less Tax Revenue	
0.001250		0.001250	
	<u>261,180</u>		<u>2,611,800</u>
STATE AID	\$2,315,820	STATE AID	\$ (34,800)
STATE GIVES DISTRICT	\$2,315,820	DISTRICT GIVES STATE	\$ 34,800
TOTAL DISTRICT REVENUE	<u>\$2,577,000</u>	TOTAL DISTRICT REVENUE	<u>\$2,577,000</u>

NOTE:

To change from Old Utah Mill to Present Tax Rate, DIVIDE by 5,000. Example: 8.77 / 5,000 = 0.001754
To change from Present Tax Rate to Old Utah Mill, MULTIPLY by 5,000. Example: 0.001754 X 5,000 = 8.77

H:\WPDATA\TAXES\BasicGuarantee.wpd

¹The 1995 Legislature significantly reduced the FY 1995-96 (Tax Year 1995) Basic Rate levy and resultant tax yield. As a result of this initial reduction and further reductions by subsequent legislative actions, no basic rate revenue has been recaptured from any school district since FY 1995-96.